

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1299-03  
Bill No.: Truly Agreed To and Finally Passed HCS for HB Nos. 404 & 614  
Subject: Workers Compensation; Law Enforcement Officers and Agencies  
Type: Original  
Date: June 10, 2013

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Bill Summary: This proposal would modify several provisions in the state's Workers' Compensation law.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Conservation Commission	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Road	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Local Government</b>	<b>\$0 to (Unknown)</b>	<b>0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

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## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **Section 287.067.6 RSMo. - Workers' Compensation:**

Officials from the **Office of Administration - Division of General Services (DGS)** assume this proposal would recognize psychological stress as an occupational disease for paid police officers if a direct relationship is established.

DGS officials noted the state's self insured fund provides workers' compensation benefits to Capitol Police Officers, Liquor Control Officers, Park Rangers, Conservation Agents, Fire Marshall Investigators, and Probation and Parole Officers. DGS officials assume this proposal could potentially increase the costs to the state's workers' compensation program.

Officials from the **Missouri Highway Patrol** deferred to the Office of Administration - Division of General Services for an estimate of the impact of this proposal.

Officials from the **City of Kansas City** assume there would be an unknown cost to their organization from this proposal, as an increase in the number of claims could be anticipated.

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration** and the **Department of Labor and Industrial Relations** assume this proposal would have no fiscal impact on their organization.

**Oversight** notes this proposal would define psychological stress for qualified Missouri peace officers as an occupational disease in the workers' compensation system. Oversight also notes that several agencies with qualifying peace officers have reported existing benefit claims for psychological stress but is not able to determine if this proposal would lead to more claims for coverage. Workers' compensation benefits are paid from the General Revenue Fund, the Conservation Commission Fund, and Road Funds for state employees, and by local governments. For fiscal note purposes, Oversight will indicate a cost from \$0 to unknown for these entities.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>GENERAL REVENUE FUND</b>			
<u>Cost</u> - Office of Administration Workers' Compensation Claims Section 287.067.6	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b>\$0 to <u>(Unknown)</u></b>	<b>\$0 to <u>(Unknown)</u></b>	<b>\$0 to <u>(Unknown)</u></b>
<b>CONSERVATION COMMISSION FUND</b>			
<u>Cost</u> - MDC Workers' Compensation Claims Section 287.067.6	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND</b>	<b>\$0 to <u>(Unknown)</u></b>	<b>\$0 to <u>(Unknown)</u></b>	<b>\$0 to <u>(Unknown)</u></b>
<b>ROAD FUNDS</b>			
<u>Cost</u> - MODOT Workers' Compensation Claims Section 287.067.6	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON ROAD FUNDS</b>	<b>\$0 to <u>(Unknown)</u></b>	<b>\$0 to <u>(Unknown)</u></b>	<b>\$0 to <u>(Unknown)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>LOCAL GOVERNMENTS</b>			
<u>Cost - Local governments</u>			
Workers' Compensation Claims	\$0 to	\$0 to	\$0 to
Section 287.067.6	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<b><u>\$0 to (Unknown)</u></b>	<b><u>\$0 to (Unknown)</u></b>	<b><u>(Unknown)</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal would modify several provisions in the state's Workers' Compensation law.

- \* Death by occupational disease would be compensable only if the occupational exposure was the prevailing factor in the death or injury.
- \* Psychological stress would be recognized as an occupational disease for workers' compensation purposes if a direct causal relationship is established, for paid peace officers of a police department who are certified under Chapter 590, RSMo.
- \* The formula to equalize premium rates for employers in the construction group of code in effect on January 1, 1999, would be reinstated.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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Page 6 of 6

June 10, 2013

### SOURCES OF INFORMATION

Office of Administration - Division of General Services

Department of Insurance, Financial Institutions, and Professional Registration

Department of Labor and Industrial Relations

Missouri Highway Patrol

City of Kansas City

A handwritten signature in black ink, appearing to read "Ross Strobe".

Ross Strobe  
Acting Director  
June 10, 2013

SS:LR:OD